

White House to Propose FAA Cuts --- Traffic-Control Spending Would Be Pared by 16%, Scaling Back Improvements

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WASHINGTON -- The Bush administration plans to propose a 16% cut in spending on air-traffic-control equipment and facilities, saving nearly half a billion dollars a year but postponing or scaling back projects aimed at making air travel more efficient.

The proposed \$471 million cut in the Federal Aviation Administration's facilities and equipment budget, currently at a level of \$2.9 billion, comes partly in response to government audits critical of the agency's spending habits, according to people familiar with the matter. Just like the industry it regulates, the **FAA** is under pressure to rein in spending, which has expanded 70% since 1996 to \$14 billion this year. The increase has been fueled partly by the agency's "lack of basic contract oversight," the Department of Transportation's inspector general told Congress in October.

With the Congressional Budget Office projecting a \$477 billion federal budget deficit this year, the planned cuts at the **FAA** signal the kind of belt-tightening expected throughout the government. Mr. Bush's overall proposal, to be released Monday, is likely to call for cuts in several domestic programs to allow the president to keep a lid on proposed spending while increasing spending for defense and homeland security.

It isn't clear which **FAA** programs would be targeted under Mr. Bush's proposed reductions. The **FAA**'s facilities and equipment budget typically pays for projects to modernize the agency's vast network of radars, navigation and communications equipment. A proposal to cut spending on those projects during the next fiscal year that begins in October wouldn't immediately have an impact at airports that are experiencing delays, such as Chicago's O'Hare International. The problems identified at O'Hare -- whose percentage of on-time flights has fallen below 60% in recent months -- include alleged overscheduling of flights by major airlines there and, according to the

National Air Traffic Controllers Association, a shortage of controllers needed to handle planes.

Still, the size of the proposed cuts is likely to face stiff resistance in Congress, which recently approved legislation that authorizes the **FAA** to spend \$2.9 billion on its facilities and equipment. The proposal also comes as the administration is trying to draw attention to its efforts to prevent the kind of gridlock that disrupted air travel before the Sept. 11, 2001, attacks. Last week, the administration took the unusual step of announcing that it had secured agreements from UAL Corp.'s United Airlines and AMR Corp.'s American Airlines to reduce their flight schedules at O'Hare during the busiest hours of the day by 5%.

An **FAA** spokesman declined to detail the administration's budget proposal but said that in "both planning and operations, the **FAA** will invest its resources in programs that pay real dividends for travelers in greater safety, convenience and ontime performance."

Speaking yesterday to an aviation-industry group, Transportation Secretary Norman Mineta made no mention of the budget plan but said the administration is working to triple the capacity of the nation's aviation system over the next 15 to 20 years. To that end, Mr. Mineta said he was establishing a multiagency office, based at the **FAA**, to develop "ideas and technologies" that would help achieve that goal.

The **FAA** has tried in recent months to modernize its air-traffic-control equipment and improve the efficiency of its operations, recruiting an American Airlines air-traffic expert as its first ever "chief operating officer" last summer. In November, it reorganized air-traffic administrative departments. **FAA** Administrator Marion Blakey also has tightened controls on projects that she says lack "a sound business case." In one case, she deferred the agency's timetable for equipping air-traffic-control centers with technology allowing text messages to be sent to pilots in the air.